

AMENDED IN SENATE MAY 8, 2003  
AMENDED IN SENATE APRIL 21, 2003

**SENATE BILL**

**No. 359**

**Introduced by Senator Figueroa**

February 19, 2003

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An act to add Sections 94779.1, 94779.3, and 94779.4 to, and to add and repeal Section 94779.2 of, the Education Code, relating to the Bureau for Private Postsecondary and Vocational Education.

LEGISLATIVE COUNSEL'S DIGEST

SB 359, as amended, Figueroa. Joint Legislative Sunset Review Committee.

Existing law establishes the Joint Legislative Sunset Review Committee, and specifies its duties with respect to the review of various boards and commissions. Existing law establishes the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs.

This bill would require the committee and bureau to evaluate certain provisions of law applicable to private postsecondary institutions to determine what changes are advisable to improve the effectiveness of the state's regulation of those institutions. The bill would require the bureau to review its fee structure to determine what changes are appropriate and to recommend those changes to the committee by October 1, 2004. The bill would require the Director of Consumer Affairs to appoint a Bureau of Private Postsecondary and Vocational Education Operations and Administrative Monitor by January 31, 2004. The bill would require the monitor to, among other things, assess the bureau's administrative operations and to submit a report to the

director, the bureau, and the Legislature by October 1, 2004. The bill would require the bureau to report to the Legislature on October 1, 2004 2003, on its progress in accomplishing corrective actions to resolve deficiencies found in specified audits.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 94779.1 is added to the Education Code,  
2 to read:

3 94779.1. (a) The bureau shall work together with the staff of  
4 the Joint Legislative Sunset Review Committee, along with  
5 representatives of regulated institutions, the California  
6 Postsecondary Education Commission, the California Student Aid  
7 Commission, students, and other interested parties to revise this  
8 chapter to streamline its provisions and eliminate contradictions,  
9 redundancies, ambiguities, conflicting provisions, and  
10 unnecessary provisions, including consideration of having  
11 accreditation by the United States Department of Education  
12 approved regional accrediting bodies replace some of the bureau's  
13 approval requirements of degree-granting institutions,  
14 educational programs, and ~~instructor requirements~~ *instructors*. In  
15 addition, the bureau, in conjunction with these various entities,  
16 shall evaluate the provisions of this chapter to determine what  
17 additional changes are advisable to improve the effectiveness of  
18 the state's regulation of private postsecondary and vocational  
19 education, including, but not limited to, the need to regulate  
20 out-of-state postsecondary institutions that offer educational  
21 programs to California students via the Internet and the feasibility  
22 of that regulation, and the type and timeliness of information  
23 required to be provided to the bureau.

24 (b) The bureau shall review its current fee structure to  
25 determine what changes might be appropriate and to recommend  
26 those changes to the Joint Legislative Sunset Review Committee  
27 by October 1, 2004.

28 (c) The bureau shall continue to make additional improvements  
29 to its data collection and dissemination systems so that it will  
30 provide improved reporting of information regarding the private  
31 postsecondary and vocational education sector, and improved



1 monitoring of reports, initial and renewal applications, complaint  
2 and enforcement records, and collection of fees among other  
3 information necessary to serve the bureau's wide-ranging data  
4 management needs effectively.

5 SEC. 2. Section 94779.2 is added to the Education Code, to  
6 read:

7 94779.2. (a) (1) The Director of Consumer Affairs shall  
8 appoint a Bureau of Private Postsecondary and Vocational  
9 Education Operations and Administrative Monitor no later than  
10 January 31, 2004. The director may retain a person for this position  
11 by a personal services contract. In this connection, the Legislature  
12 finds, pursuant to Section 19130 of the Government Code, that this  
13 is a new state function.

14 (2) The director shall supervise the operations monitor and may  
15 terminate or dismiss him or her from this position.

16 (b) The director shall advertise the availability of this position.  
17 The requirements for this position shall include experience in  
18 performing audits of or operating state administrative regulatory  
19 agencies, familiarity with state laws, rules, and procedures  
20 pertaining to the bureau, and familiarity with relevant  
21 administrative procedures.

22 (c) (1) The operations monitor shall assess the bureau's  
23 administrative operations, including its school approval, applicant  
24 review, revenue collection, and complaint and enforcement  
25 processes and procedures with the primary goal of improving the  
26 bureau's overall efficiency and compliance with state laws.

27 (2) This monitoring duty shall be on a continuing basis for a  
28 period of no more than two years from the date of the operations  
29 monitor's appointment and shall include, but not be limited to,  
30 improving the quality and consistency of complaint processing  
31 and investigation and reducing timeframes for each, reducing any  
32 complaint backlog, and ensuring consistency in the application of  
33 sanctions or discipline imposed on regulated institutions and  
34 persons. Further, this monitoring duty shall include, but not be  
35 limited to, improving quality and timeliness of application and  
36 approval processes for regulated institutions and persons, the  
37 collection of fees, the collection of information from, and the  
38 ability to disseminate information regarding, those entities or  
39 ~~person~~ *persons* regulated by the bureau, and improving the

1 bureau's ability to perform outreach to prospective students of  
2 private postsecondary and vocational educational institutions.

3 (3) The operations monitor shall exercise no authority over the  
4 bureau's management or staff; however, the bureau and its staff  
5 shall cooperate with him or her, and shall provide data,  
6 information, and files as requested by the monitor to perform all  
7 of his or her duties.

8 (4) The director shall assist the operations monitor in the  
9 performance of his or her duties, and the operations monitor shall  
10 have the same investigative authority as the director.

11 (d) The operations monitor shall submit an initial written report  
12 of his or her findings and conclusions to the director, the bureau,  
13 and the Legislature no later than October 1, 2004, and *make*  
14 *followup status reports* every six months thereafter, and shall be  
15 available to make oral reports to each if requested to do so. The  
16 operations monitor may also provide additional information to  
17 either the department or the Legislature at his or her discretion or  
18 at the request of either the department or the Legislature. The  
19 operations monitor shall make his or her reports available to the  
20 public and the media. The operations monitor shall make every  
21 effort to provide the department and the bureau with an  
22 opportunity to reply to any facts, ~~finding~~ *findings*, issues, or  
23 conclusions in his or her reports with which the department or the  
24 bureau may disagree.

25 (e) The bureau shall reimburse the department for all of the  
26 costs associated with the employment of an operations manager.

27 (f) This section shall remain in effect only until April 1, 2006,  
28 and as of that date is repealed, unless a later enacted statute, that  
29 is enacted before April 1, 2006, deletes or extends that date.

30 SEC. 3. Section 94779.3 is added to the Education Code, to  
31 read:

32 94779.3. The bureau shall establish an expanded outreach  
33 program for prospective and current private postsecondary and  
34 vocational education students, ~~including~~ *and* high school students,  
35 to provide them with information on how best to select  
36 postsecondary or vocational schools, how to enter into contracts  
37 and student enrollment agreements, how to protect themselves in  
38 the postsecondary and vocational education marketplace, and how  
39 to contact the bureau for assistance if problems arise.

1 SEC. 4. Section 94779.4 is added to the Education Code, to  
2 read:

3 94779.4. The bureau shall report to the Legislature, no later  
4 than October 1, ~~2004~~ 2003, on its progress in accomplishing the  
5 corrective actions necessary to resolve the deficiencies found in  
6 the audit performed by the department's Internal Audit Office, and  
7 any remaining deficiencies found in the 2000 audit by the Bureau  
8 of State Audits. In particular, the bureau shall report on the status  
9 and timeliness of its complaint and enforcement, and application  
10 and renewal processes and procedures, the condition of the  
11 Student Tuition Recovery Fund and the status of any claims  
12 thereon, the status and timeliness of its various approval or  
13 registration processes, the status and capabilities of its data  
14 processing and dissemination system, its outreach efforts to  
15 current and prospective private postsecondary and vocational  
16 education students, and any recommendations for improvement to  
17 its operations, including any recommendations regarding  
18 revisions to this chapter.

